

**MINUTES**  
**ALABAMA REAL ESTATE APPRAISERS BOARD**  
**RSA UNION STREET**  
**SUITE 370**  
**MONTGOMERY, ALABAMA**  
**September 23, 2005**

**MEMBERS PRESENT:**

Mr. Mandell Tillman (Chairman)  
Mr. Clifford Odom  
Mr. James Davis (Vice-Chairman)  
Mr. Leston Stallworth  
Mrs. Myra Pruitt  
Mr. Jon B. Blissitte (arriving at 8:11 a.m.)  
Mr. Steve Martin  
Mr. Thomas E. Garrett

**MEMBERS ABSENT:**

Mr. Otis Stewart, Jr.

**OTHERS PRESENT:**

Mrs. Lisa Brooks  
Ms. Neva Conway  
Mr. D.J. Dixon  
Mrs. Carolyn Greene

**GUESTS PRESENT:**

Mr. Thomas Monk (Trainee)

- 1.0 With quorum present Mr. Tillman, Chairman called the meeting to order at 8:07 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3rd Floor Conference Room, Montgomery, Alabama.
- 1.1 The meeting was opened with prayer by Mr. Stallworth and then the Pledge of Allegiance.
- 2.0 Members present were Mr. Mandell Tillman, Mr. James Davis, Mr. Clifford Odom, Mr. Leston Stallworth, Mr. Steve Martin, Mr. Jon B. Blissitte (arriving at 8:11 a.m.), Mr. Thomas E. Garrett and Mrs. Myra Pruitt. Member absent was Mr. Otis Stewart, Jr. At this time the Board welcomed Mr. Monk.

3.0 On motion by Mrs. Pruitt and second by Mr. Martin the regular minutes for July 15, 2005 were approved as amended. Motion carried by unanimous vote.

3.2 Ms. Conway included in the Board books the Recommendation of the Administrative Law Judge on Complaint No. AB-03-29 (Ray Brannum) and distributed the transcript and the exhibits from the hearing to each Board member. On motion by Mr. Martin and second by Mr. Garrett the Board voted to adopt the recommendation from the Administrative Law Judge. Motion carried by unanimous vote.

Ms. Conway informed the Board the disciplinary hearings on the Holyfield cases are set for November 16-18, 2005.

Ms. Conway included in the Board books the request from Mr. Dennis Greene for an Attorney General's Opinion regarding the Board's decision to eliminate the six-year 15 Hour USPAP requirement. Ms. Conway also included for the Board's review was the response from Mr. Troy King, Attorney General.

4.0 Ms. Conway informed the Board we should pre-file our Bill for introduction into the Regular Session. Ms. Conway also informed the Board there is rumor of another Special Session. If so, we will introduce our Bill. The Board asked Ms. Conway to see if our Bill could be included in the session call.

Ms. Conway included in the Board books a copy of the Open Meetings Act, which will be effective October 1, 2005 and training book from the Attorney General's Open Meeting Act Training Seminar.

After much discussion on motion by Mr. Garrett and second by Mr. Blissitte the Board voted to grant a 6-month extension without the \$50 late fee to all licensees. This extension will give all licensees time to comply with the six-year 15-Hour USPAP requirement, the Trainee Mandatory Orientation requirements and to help those individuals who were affected by the recent hurricanes. A \$250 late fee will begin April 1, 2006. As suggested by Ms. Conway the individuals who desire an extension will have to submit their renewal form and license fee before the extension is granted. A notice to all licensees will be sent by regular mail and also listed on our website. Motion carried by unanimous vote.

On motion by Mr. Garrett and second by Mr. Davis the Board voted to have Mrs. Brooks and Ms. Conway check into the feasibility of

our Board offering the 15-Hour USPAP and charging a reasonable fee to the licensees who needed the course this renewal period. Motion carried by unanimous vote.

- 5.0 On motion by Mrs. Pruitt and second by Mr. Odom the following applications were voted on as listed. Motion carried by unanimous vote.
- 5.1 **Trainee Real Property Appraiser applications approved:** Ronald Brooks, Samuel S. Fleming, Ben Hilpert, Jason W. Keene, Lori C. Kegley.
- 5.2 **State Registered Real Property Appraiser application denied:** Bryan D. Waldrop.
- 5.3 **Licensed Real Property Appraiser application approved:** Jack D. Couch.
- 5.4 **Certified Residential Real Property Appraiser applications approved:** William K. Best (Recip.)(GA), Jacqueline S. Carter, Byron Claybrook, James P. Cooper, Carly S. Hinson, Richard D. Hyatt (Recip.)(TN), G. Brett Keller, Russell V. Johnson, Woni H. Nelson. **Applications deferred:** William F. Nixon, Robyn R. Sartin. **Application denied:** David V. Bussell.
- 5.5 **Certified General Real Property Appraiser application approved:** Craig S. Benton (Recip.)(GA). **Application deferred:** George M. Shanahan. **Applications denied:** Christopher C. Chatham (Recip.)(TN).

Mr. Davis discussed with the Board the difficulty some applicants are having passing the licensing exam. He feels being able to test only twice in a 12 month period is not sufficient. Mr. Davis asked the Board to consider changing the number of times applicants can sit for the exam. After much discussion on motion by Mr. Garrett and second by Mr. Blissitte the Board voted to change our administrative rules to allow exams to be taken as many times as necessary in a 24 month period. We will do this by both emergency and regular adoption. Motion carried by unanimous vote.

#### **Trainee/General Interview**

9:00 a.m. – George M. Shanahan – On motion by Mr. Davis and second by Mr. Stallworth the Board voted to defer for additional reports. Motion carried by unanimous vote.

- 6.0 Mrs. Pruitt discussed the financial report with the Board. Mrs. Pruitt stated we were 91% into FY 05 and 71% into budget expenditures. Mrs. Pruitt stated there were no negative trends that could not be reconciled at this time. On motion by Mr. Odom and second by Mr. Davis the Board voted to approve the Financial Report. Motion carried by unanimous vote.
- 6.1 On motion by Mr. Blissitte and second by Mrs. Pruitt the following education courses and instructor recommendations were approved, deferred, or denied as indicated:

### **ALABAMA FORESTRY ASSOCIATION**

#### **Initial Application:**

- (CE) Tax Treatment for Storm Damaged Timber – 6 Hours – Traditional Classroom  
(Instructor: Rick Oates)

**Both Course and Instructor Approved**

### **AMERICAN SOCIETY OF FARM MANAGERS**

#### **Initial Application:**

- (LIC) Highest and Best Use (A-29) – 16 Hours – Traditional Classroom  
(Instructor: Mark Lewis)

**Both Course and Instructor Approved**

### **APPRAISAL INSTITUTE - CHICAGO**

#### **Initial Application:**

- (LIC) Residential Report Writing and Case Studies – 15 Hours – Traditional Classroom  
(Instructor: Margaret Hambleton)

**Course and Instructor Approved**

- (LIC) Residential Sales Comparison and Income Approaches – 30 Hours – Traditional Classroom  
(Instructor: Mark Ratterman)

**Both Course and Instructor Approved**

- (LIC) Residential Site Valuation and Cost Approach – 15 Hours – Traditional Classroom  
(Instructor: Arlen Mills)

**Both Course and Instructor Approved**

(CE) Reviewing Residential Appraisal Reports – 7 Hours –  
Traditional Classroom  
(Instructor: Mark Ratterman)

**Both Course and Instructor Approved**

(CE) Uniform Appraisal Standards for Federal Land Acquisitions –  
16 Hours – Traditional Classroom  
(Instructor: Bruce Closser)

**Both Course and Instructor Approved**

### **INTERNATIONAL RIGHT OF WAY ASSOCIATION**

#### **Initial Application:**

(CE) IRWA Chapter 24 Annual Conference – July 2005 – 8 Hours  
– Traditional Classroom

**Course Approved**

(CE) IRWA Chapter 24 Annual Conference – July 2006 – 8 Hours  
– Traditional Classroom

**Course Approved**

### **MCKISSOCK APPRAISAL SCHOOL**

#### **Initial Application:**

(CE) Fannie Mae Revisions – 7 Hours – Traditional Classroom  
(Instructor: Steve Vehmeier)

**Course and Instructor Approved**

(LIC) Sales Comparison Approach – 15 Hours – Virtual Classroom  
(Instructor: Mike Lightbourne)

**Course and Instructor Approved**

(LIC) The Residential Appraisal Process Part II – 15 Hours –  
Virtual Classroom

(Instructor: Mike Lightbourne)

**Course and Instructor Approved**

(LIC) Studies and Analyses – 15 Hours – Virtual Classroom  
(Instructor: Mike Lightbourne)

**Course and Instructor Approved**

On motion by Mr. Odom and second by Mr. Garrett the Board approved request from Mr. Edward F. Travis for approval to receive 6 hours of continuing education credit for course “Tax Treatment for Storm Damaged Timber Following Hurricane Ivan” from Alabama Forestry Foundation.

On motion by Mr. Garrett and second by Mr. Davis the Board voted to approve the request from Mr. Willis G. Reynolds for approval to receive 6 hours of continuing education credit for course "Erosion & Sediment Control & Stormwater Management from Auburn University.

Motion carried by unanimous vote.

Course monitoring reports by Mr. Dixon were included in the Board books for Board information.

At this time Mr. Odom gave Education Committee Report. The committee discussed with the entire Board the new AQB education requirements.

The Board discussed the Appraisal Foundation options for implementing the 2008 appraiser qualification criteria. The choices are Firm Date and Segmented scenarios. Ms. Conway discussed with the Board a variation of the Segmented scenario she has discussed with the Appraisal Foundation. This variation is to accept applications from individuals who have completed the education and experience requirements prior to January 1, 2008 to make application and, if approved, take the license examination after January 1, 2008. This is more flexible than the firm date scenario but less flexible than the AQB segmented scenario. This manner of implementing the new criteria integrates the current Alabama application process more efficiently and requires the fewest administrative changes. After much discussion on motion by Mr. Odom and second by Mr. Martin the Board voted to adopt regulations to implement the new AQB criteria in this manner. Motion carried by unanimous vote. The official position of the Board is adoption by the Segmented Scenario. Ms. Conway was instructed to draft amendments to the administrative code to reflect this action.

On motion by Mr. Odom and second by Mr. Garrett the Board voted to adopt the Trainee/Mentor Policy with the following amendments:

\*The Mentor will accompany the Trainee and demonstrate how to inspect the interior and exterior of each subject property and comparable properties in the first 50 appraisal assignments made by the Mentor.

\*Mentors who hold a Certified Residential or Certified General Real Property Appraiser license may supervise a total of three Trainee appraisers.

Ms. Conway indicating she felt very comfortable with the implementation being six months from date of final adoption.

### **RECONSIDERATION HEARINGS**

9:30 a.m. – **Robert Andrews (T applying for R)** – On motion by Mr. Martin and second by Mr. Garrett the Board voted to defer for additional reports. Motion carried by unanimous vote.

10:00 a.m. – **Tina Turberville (T applying for L)** – Requested continuance.

10:30 a.m. – **Darrell S. Willeford (T applying for L)** – On motion by Mr. Martin and second by Mr. Stallworth the Board voted to defer for additional reports. Motion carried by unanimous vote.

11:00 a.m. – **John S. Gellerstedt (T applying for R)** – On motion by Mr. Odom and second by Mr. Blissitte the Board voted to approve Mr. Gellerstedt to sit for the Certified Residential Real Property Appraiser exam. Motion carried by unanimous vote.

6.2

**AB-05-04:** On July 15, 2005 the Board issued a private reprimand to a Certified Residential Real Property Appraiser. Licensee is also required to pay a \$700 administrative fine and complete a 7-hour ANSI course, a 16-hour Income Approach course, a 16-hour sales Comparison course and a 15-hour USPAP course and pass the examination. Violations are as follows: Licensee prepared an appraisal report that is misleading. Commercial land use within the neighborhood was not reported; comparables sales from dissimilar neighborhoods, a mile or more from the subject were used when comparable sales were available within the immediate neighborhood; recognized appraisal methods and techniques to develop the income approach were not used; the selling price of owner occupied properties and an estimated rent from an outdated rental study for the municipality were used to develop a GRM; Licensee omitted reference to deferred maintenance. The appraisal order requests appraise the property “as is” without a cost to cure adjustment. **Ethics Rule, Conduct, 1-1(a), 1-1(b), 1-4(c)(i), 1-4(c)(ii), 1-4(c)(iii), 1-4(c)(iv), 2-1(a), 2-1(b), USPAP, 2004 Ed., §34-27A-20(a)(7) and §34-27A-20(a)(8), Code of Alabama, 1975.**

**AB-05-05:** On July 15, 2005 the Board issued a private reprimand to a Trainee Real Property Appraiser. Licensee is also required to pay a \$700 administrative fine and complete a 7-hour ANSI course, a 16-hour Income Approach course, a 16-hour sales Comparison course and a 15-hour USPAP course and pass the examination. Violations are as follows: Licensee prepared an appraisal report that is misleading. Commercial land use within the neighborhood was not reported; comparables sales from dissimilar neighborhoods, a mile or more from the subject were used when comparable sales were available within the immediate neighborhood; recognized appraisal methods and techniques to develop the income approach were not used; the selling price of owner occupied properties and an estimated rent from an outdated rental study for the municipality were used to develop a GRM; Licensee omitted reference to deferred maintenance. The appraisal order requests appraise the property "as is" without a cost to cure adjustment. **Ethics Rule, Conduct, 1-1(a), 1-1(b), 1-4(c)(i), 1-4(c)(ii), 1-4(c)(iii), 1-4(c)(iv), 2-1(a), 2-1(b), USPAP, 2004 Ed., §34-27A-20(a)(7) and §34-27A-20(a)(8), Code of Alabama, 1975.**

**AB-05-09:** On July 15, 2005, the Board issued a private reprimand to a Certified Residential Real Estate Appraiser. Licensee is also required to pay a \$900 administrative fine. Licensee agreed to complete 35 hours of continuing education courses in measurement and drawing complex home and appraisal of unusual high value residential properties. The violations are Comparables used in the report were custom built homes (not considered arms-length transactions). The appraisal report copy sent to the Board does not match the copy delivered to the Mortgage Company. Items different in the reports were: the location was changed from rural to suburban, changed the distance between the subject and the comparables, site descriptions of comparables were changed from "lot/sim" to an acreage amount that was incorrect. GLA was not computed by the ANSI standard of measurement and the builder's estimate of square footage was used in the report. Value opinion is reported, "as is" and developed "subject to completion per plans and specifications". Construction was not complete on the date of the appraisal. **Ethics-Conduct, Ethics-Record Keeping, 1-1(a), 1-1(b), 1-2(e)(i), 1-2(h) 2-1(a), 2-1(b), 2-1(c), 2-2(b)(vii), 2-2(b)(viii), 2-2(b)(ix), USPAP, 2005 Ed.**

**Letters of Warning** was issued on the following investigations for the discrepancies indicated. This disciplinary action will be considered in any future discipline proceedings:

**AB-03-56:** On July 25, 2005 to a Certified General Real Property Appraiser for a commercial appraisal where The Income Approach



was not developed by accepted appraisal method, there was no Highest and Best Use analysis for the subject; the report failed to describe the extent of the process of collection, confirming, and reporting data and the extent of the process is not apparent content of the report, specific file information in support of the value conclusion is not referenced; the report failed to include a prominent use restriction that limits reliance on the subject appraisal report to the Client and warn that the report cannot be understood properly without additional information in the work-file. **Violation: 1-1(a); 1-1(b); 1-1(c); 1-3(a); 1-3(b); 1-4(b)(iv); 1-4(b)(v); 1-4(c); 2-1(a); 2-1(b), 2-2(c)(vi); 2-2(c)(viii) 2-2(c)(ix); USPAP, 1998 Ed.**

**AB-04-44:** On July 25, 2005 to a Certified General Real Property Appraiser for a residential appraisal where Comparable #2 is presented as a residential comparable. At the time of the sale it was zoned commercial and had a business sign in the front yard; the subject property was zoned residential; A true and correct copy of one of the reports prepared for this subject was not retained by Licensee; **Violation: Ethics Rule-Record Keeping, 1-1(c), USPAP, 2004 Ed.**

**AB-04-91:** On July 25, 2005 to a Certified Residential Real Property Appraiser for a residential appraisal where the following sales were omitted from the three year sales history for subject: 3/22/2002 Sales Price \$224,500; 9/24/2002 Sales Price \$222,000; 9/24/2004 Sales Price \$250,000; and 9/24/2004 Sales Price \$320,000. **Violation 1-5(b), USPAP, 2004 Ed.**

**AB-04-92:** On July 25, 2005 to a Certified Residential Real Property Appraiser for a residential appraisal where the following sales were omitted from the three year sales history for subject: 3/22/2002 Sales Price \$224,500; 9/24/2002 Sales Price \$222,000; 9/24/2004 Sales Price \$250,000; and 9/24/2004 Sales Price \$320,000. **Violation 1-5(b), USPAP, 2004 Ed.**

**AB-04-93:** On July 25, 2005 to a Certified Residential Real Property Appraiser for a residential appraisal where the following sales were omitted from the three year sales history for subject: 3/22/2002 Sales Price \$224,500; 9/24/2002 Sales Price \$222,000; 9/24/2004 Sales Price \$250,000; and 9/24/2004 Sales Price \$320,000. **Violation 1-5(b), USPAP, 2004 Ed.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board since last meeting the Board received 23 new complaints, 6 complaints dismissed and 15

settled with a total of 123 open complaints. The Board discussed the fact that we are down to only one investigator at this time.

Mr. Dixon included Investigation Division Reports that he compiled for Board information.

Mr. Blissitte gave a Disciplinary Committee report for Board information.

6.2.1 The Board reviewed Probable Cause Report **AB-05-13**: On motion by Mr. Garrett and second by Mr. Odom the Board voted that Probable Cause does exist and to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-05-31 (Companion Case AB-05-32)**: On motion by Mr. Garrett and second by Mr. Odom the Board voted that Probable Cause does exist and to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary **AB-05-32 (Companion Case AB-05-31)**: On motion by Mr. Garrett and second by Mr. Odom the Board voted that probable cause does exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary **AB-05-48 (Companion Case AB-05-49)**: On motion by Mr. Garrett and second by Mr. Odom the Board voted that probable cause does exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-05-51**: On motion by Mr. Garrett and second by Mr. Davis the Board voted that Probable Cause does exist and to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-05-52**: On motion by Mr. Garrett and second by Mr. Odom the Board voted that Probable Cause does exist and to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-05-53**: On motion by Mr. Garrett and second by Mr. Odom the Board voted that Probable Cause does exist and to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-05-70**: On motion by Mr. Davis and second by Mrs. Pruitt the Board voted that Probable Cause does exist and to proceed with formal investigation. Motion carried by unanimous vote.

6.2.2 No anonymous complaints to review at this time.

6.2.3 The Board reviewed Consent Settlement Orders on **AB-99-27, AB-00-77, and AB-03-88, AB-04-38, AB-05-15**. On motion by Mr. Davis and second by Mr. Stallworth the Board voted to approve these Consent Settlement Orders as presented. Motion carried by unanimous vote.

The Board reviewed Consent Settlement Order on **AB-05-02**. On motion by Mr. Garrett and second by Mrs. Pruitt the Board voted to approve this Consent Settlement Order as presented. Motion carried by unanimous vote.

The Board reviewed Consent Settlement Order on **AB-05-03**. On motion by Mr. Garrett and second by Mrs. Pruitt the Board voted to approve this Consent Settlement Order as presented. Motion carried by unanimous vote.

The Board reviewed Consent Settlement Order on **AB-05-45**. On motion by Mrs. Pruitt and second by Mr. Blissitte the Board voted to approve this Consent Settlement Order as presented. Motion carried by unanimous vote.

The Board reviewed Letters of Warning on **AB-04-44, AB-04-91 and AB-04-93**. On motion by Mrs. Pruitt and second by Mr. Blissitte the Board voted to approve these Letters of Warning as presented. Motion carried by unanimous vote.

6.3 No reciprocal agreements to report since last meeting.

6.4 The following reciprocal licenses were issued since last meeting: Craig S. Benton (G)(GA), William K. Best (R)(GA).

7.0 The temporary permit report was provided to the Board for their information.

8.0 Mrs. Brooks informed the Board she had hired two new employees. Mr. Jim Coker, Accountant who replaced Mrs. Betty Elrod in the Account Clerk position and Mrs. La'Kesha Powell as Education Coordinator who replaces Mrs. Miriam Young.

Mrs. Brooks informed the Board that Personnel has the paperwork to analyze the Investigator position for possible upgrade.

Mrs. Brooks informed the Board that as of September 21, 2005 we have had 674 licensees to renew by mail and 248 to renew on-line for a total of 922.

E-mail from Ms. Haney suggesting that the Board sponsor a 7-hour CE course regarding developing and communicating residential appraisals was provided to the Board for their information.

Mrs. Brooks discussed with the Board the option of going to automated board books, which would cut down on the cost of paper and especially staff time. Mrs. Brooks informed the Board she would gather more accurate information regarding the cost and notify the Board. On motion by Mr. Stallworth and second by Mr. Garrett the Board voted to give Mrs. Brooks permission to proceed. Motion carried by unanimous vote.

Mrs. Brooks included for Board information a list of current Board accomplishments.

A letter from Mr. Ryan Massengale from Alabama Valuation & Consultant Services, LLC regarding narrative reports.

The new Travel-Mileage Rate was included for Board information.

The Board members and staff thanked Mr. Odom for his contribution in the July and August Trainee Orientation seminars.

Ms. Conway and Mrs. Brooks asked the Board for approval for our agency to pay Mr. Dixon's license fee since it is a job requirement that he maintain an active appraiser license. Ms. Conway informed the Board she had discussed this situation with Mr. Hugh Evans with the Ethics Commission and Mr. Evans stated he felt there would be no conflict. On motion by Mr. Stallworth and second by Mr. Odom the Board voted to approve payment and to check with the state comptrollers office for instructions. Motion carried by unanimous vote.

At 11:40 a.m. on motion by Mrs. Pruitt and second by Mr. Stallworth the Board voted to enter Executive Session to discuss the good name and character of an individual. Motion carried by unanimous vote.

At 11:50 a.m. on motion by Mr. Garrett and second by Mr. Davis the Board voted to re-enter Regular Session. Motion carried by unanimous vote.

On motion by Mr. Garrett and second by Mrs. Pruitt the Board voted to appoint Mrs. Lisa Brooks as Executive Director at an annual salary of \$65,000 to be effective today. Motion carried by unanimous vote.

9.0 At 11:59 a.m. on motion by Mr. Blissitte and second by Mr. Garrett the Board voted to adjourn. Motion carried by unanimous vote.

Sincerely,

Lisa Brooks  
Executive Director

LB

**APPROVED:** \_\_\_\_\_  
**Mandell Tillman, Chairman**